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# A BILL FOR AN ACT

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RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
DEFINITIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the Hawaii employer-  
2 union health benefits trust fund offers health benefits to  
3 dependents of state and county employees and retirees. Due to  
4 the current interpretation of chapter 87A, Hawaii Revised  
5 Statutes, when an employee is killed in the performance of the  
6 employee's duty, the employee passes away when eligible for  
7 retirement, or the retiree passes away, the employee's or  
8 retiree's surviving spouse's children that are born after the  
9 employee's or retiree's death are eligible to participate in  
10 benefit plans offered by the fund. However, the legislature  
11 finds that a child born or legally adopted after an employee's  
12 or retiree's death who is not the natural or adopted child of  
13 the deceased employee or retiree should not be eligible to  
14 participate in fund benefit plans because the child is not the  
15 child of the state or county employee or retiree.



1       The legislature further finds that the definition of  
2   "employee-beneficiary" limits coverage of surviving children of  
3   employees who pass away when eligible for retirement and  
4   retirees who pass away to age nineteen, which is lower than  
5   surviving children of employees who are killed in the  
6   performance of their duty. The date of coverage termination of  
7   surviving children of employees who pass away when eligible for  
8   retirement and retirees who pass away should be the same as  
9   surviving children of employees who are killed in the  
10   performance of their duty.

11       The legislature also finds that the definition of  
12   "dependent-beneficiary" in section 87A-1, Hawaii Revised  
13   Statutes, should be amended to be consistent with the federal  
14   Patient Protection and Affordable Care Act of 2010, which  
15   prohibits restricting health insurance coverage to only  
16   unmarried dependents and dependents who live with the employee-  
17   beneficiary and denying health insurance coverage to married  
18   dependents and dependents who do not live with the employee-  
19   beneficiary. The legislature further finds that chapter 87A,  
20   Hawaii Revised Statutes, should be amended to be consistent with  
21   chapter 572B, Hawaii Revised Statutes, regarding civil unions.



1 The purpose of this Act is to:

- 2 (1) Amend the definition of "dependent-beneficiary" in  
3 chapter 87A, Hawaii Revised Statutes, to clarify  
4 eligibility of children for participation in fund  
5 benefit plans;
- 6 (2) Amend the definition of "employee-beneficiary" in  
7 chapter 87A, Hawaii Revised Statutes, to distinguish  
8 between surviving children and surviving spouses of  
9 employees who are killed in the performance of the  
10 employee's duty;
- 11 (3) Amend the definition of "employee-beneficiary" in  
12 chapter 87A, Hawaii Revised Statutes, to change  
13 eligibility of surviving children of employees who  
14 pass away when eligible for retirement and retirees  
15 who pass away for participation in fund benefit plans;
- 16 (4) Bring the definition of "dependent-beneficiary" into  
17 conformance with the federal Patient Protection and  
18 Affordable Care Act of 2010; and
- 19 (5) Bring references to marriages into conformance with  
20 chapter 572B, Hawaii Revised Statutes.



SECTION 2. Section 87A-1, Hawaii Revised Statutes, is amended by amending the definitions of "dependent-beneficiary" and "employee-beneficiary" to read as follows:

"Dependent-beneficiary" means an employee-beneficiary's:

(1) Spouse;

(2) ~~[Unmarried child]~~ Child deemed eligible by the board, including a legally adopted child, stepchild, foster child, or recognized natural child ~~[who lives with the employee-beneficiary,]~~, but excluding a child born or legally adopted more than ten months after the date of the death of:

(A) An active employee killed in the performance of duty;

(B) An active employee who was eligible to retire on the date of death; or

(C) A retired employee-beneficiary; and

(3) Unmarried child regardless of age who is incapable of self-support because of a mental or physical incapacity, which existed prior to the unmarried child's reaching the age of nineteen years.

"Employee-beneficiary" means:



- 1 (1) An employee;
- 2 (2) The beneficiary of an employee who is killed in the
- 3 performance of the employee's duty[+], including:
- 4 (A) The surviving child, if there is no surviving
- 5 parent who is eligible to be an employee-
- 6 beneficiary and under the limiting age as defined
- 7 by the board; and
- 8 (B) The surviving spouse, if the surviving spouse
- 9 does not subsequently remarry; and
- 10 (3) An employee who retired prior to 1961;
- 11 (4) The beneficiary of a retired member of the employees'
- 12 retirement system; a county pension system; or a
- 13 police, firefighters, or bandsmen pension system of
- 14 the State or a county, upon the death of the retired
- 15 member[+], including:
- 16 [+5+] (A) The surviving child [~~of a deceased retired~~
- 17 ~~employee~~], if [~~the child is unmarried~~] there is
- 18 no surviving parent who is eligible to be an
- 19 employee-beneficiary and under the [age of
- 20 ~~nineteen; or~~] limiting age as defined by the
- 21 board; and



1       ~~[(6)]~~ (B)   The surviving spouse ~~[of a deceased retired~~  
2                   employee], if the surviving spouse does not  
3                   subsequently remarry;

4   provided that the employee, the employee's beneficiary, or the  
5   beneficiary of the deceased retired employee is deemed eligible  
6   by the board to participate in a health benefits plan or long-  
7   term care benefits plan under this chapter."

8       SECTION 3.   Section 87A-32, Hawaii Revised Statutes, is  
9   amended by amending subsection (a) to read as follows:

10       "(a)   The State, through the department of budget and  
11   finance, and the counties, through their respective departments  
12   of finance, shall pay to the fund a monthly contribution equal  
13   to the amount established under chapter 89C or specified in the  
14   applicable public sector collective bargaining agreements,  
15   whichever is appropriate, for each of their respective employee-  
16   beneficiaries and employee-beneficiaries with dependent-  
17   beneficiaries, which shall be used toward the payment of costs  
18   of a health benefits plan; provided that:

19       (1)   The monthly contribution shall be a specified dollar  
20              amount;



1 (2) The monthly contribution shall not exceed the actual  
2 cost of a health benefits plan;

3 (3) If [~~both husband and wife are~~] two employee-  
4 beneficiaries, are married or in a civil union, the  
5 total contribution by the State or the county shall  
6 not exceed the monthly contribution for a family plan;  
7 and

8 (4) If the State or any of the counties establish  
9 cafeteria plans in accordance with Title 26, United  
10 States Code section 125, the Internal Revenue Code of  
11 1986, as amended, and section 78-30, the monthly  
12 contribution for those employee-beneficiaries who  
13 participate in a cafeteria plan shall be made through  
14 the cafeteria plan, and the payments made by the State  
15 or counties shall include their respective  
16 contributions to the fund and their employee-  
17 beneficiary's share of the cost of the employee-  
18 beneficiary's health benefits plan."

19 SECTION 4. Section 87A-33, Hawaii Revised Statutes, is  
20 amended by amending subsection (b) to read as follows:



1       "(b) Effective January 1, 2014, there is established a  
2 base monthly contribution for health benefit plans that the  
3 State, through the department of budget and finance, and the  
4 counties, through their respective departments of finance, shall  
5 pay to the fund, up to the following:

6       (1) \$524.73 for each employee-beneficiary enrolled in  
7 supplemental medicare self plans;

8       (2) \$1,051.70 for each employee-beneficiary enrolled in  
9 supplemental medicare two-party plans;

10       (3) \$1,531.78 for each employee-beneficiary enrolled in  
11 supplemental medicare family plans;

12       (4) \$736.60 for each employee-beneficiary enrolled in  
13 non-medicare self plans;

14       (5) \$1,484.72 for each employee-beneficiary enrolled in  
15 non-medicare two-party plans; and

16       (6) \$2,173.06 for each employee-beneficiary enrolled in  
17 non-medicare family plans.

18       The monthly contribution by the State or county shall not  
19 exceed the actual cost of the health benefit plan or plans and  
20 shall not be required to cover increased benefits above those  
21 initially contracted for by the fund for plan year 2004-2005.





1 If [~~both husband and wife are~~] two employee-beneficiaries, are  
2 married or in a civil union, the total contribution by the State  
3 or county shall not exceed the monthly contribution for a  
4 supplemental medicare family or non-medicare family plan, as  
5 appropriate."

6 SECTION 5. Section 87A-34, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) The State, through the department of budget and  
9 finance, and the counties, through their respective departments  
10 of finance, shall pay to the fund a monthly contribution equal  
11 to one-half of the base monthly contribution set forth under  
12 section 87A-33(b) for retired employees enrolled in medicare or  
13 non-medicare health benefits plans. If [~~both husband and wife~~  
14 ~~are~~] two employee-beneficiaries, are married or in a civil  
15 union, the total contribution by the State or county shall not  
16 exceed the monthly contribution for supplemental medicare family  
17 or non-medicare family plan, as appropriate."

18 SECTION 6. Section 87A-35, Hawaii Revised Statutes, is  
19 amended by amending subsection (c) to read as follows:



"(c) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund:

(1) For retired employees enrolled in medicare or non-medicare health benefit plans with ten or more years but fewer than fifteen years of service, a monthly contribution equal to one-half of the base monthly contribution set forth under section 87A-33(b); and

(2) For retired employees enrolled in medicare or non-medicare health benefit plans with at least fifteen but fewer than twenty-five years of service, a monthly contribution of seventy-five per cent of the base monthly contribution set forth under section 87A-33(b).

If ~~[both husband and wife are]~~ two employee-beneficiaries, are married or in a civil union, the total contribution by the State or county shall not exceed the monthly contribution for a supplemental medicare family or non-medicare family plan, as appropriate."



1       SECTION 7. Section 87A-36, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3       "(c) The State, through the department of budget and  
4 finance, and the counties, through their respective departments  
5 of finance, shall pay to the fund:

6       (1) For retired employees based on the self plan with ten  
7 or more years but fewer than fifteen years of service,  
8 a monthly contribution equal to one-half of the base  
9 medicare or non-medicare monthly contribution set  
10 forth under section 87A-33(b);

11       (2) For retired employees based on the self plan with at  
12 least fifteen but fewer than twenty-five years of  
13 service, a monthly contribution equal to seventy-five  
14 per cent of the base medicare or non-medicare monthly  
15 contribution set forth under section 87A-33(b);

16       (3) For retired employees based on the self plan with  
17 twenty-five or more years of service, a monthly  
18 contribution equal to one hundred per cent of the base  
19 medicare or non-medicare monthly contribution set  
20 forth under section 87A-33(b); and



1 (4) One-half of the monthly contributions for the  
2 employee-beneficiary or employee-beneficiary with  
3 dependent-beneficiaries upon the death of the  
4 employee, as defined in paragraph (1) (D) of the  
5 definition of "employee" in section 87A-1;

6 If [~~both husband and wife are~~] two employee-beneficiaries,  
7 are married or in a civil union, the total contribution by the  
8 State or county shall not exceed the monthly contribution for  
9 two supplemental medicare self or non-medicare self plans, as  
10 appropriate."

11 SECTION 8. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun before its effective date.

14 SECTION 9. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 10. This Act shall take effect on January 1, 2051.  
17



**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund; Conforming Amendments; Beneficiaries

**Description:**

Amends the definitions of "dependent-beneficiary" and "employee-beneficiary" as used in chapter 87A, Hawaii Revised Statutes. Clarifies the eligibilities of surviving children to receive benefits. Updates references related to marriage to account for civil unions in interpreting who is a "dependent-beneficiary" and "employee-beneficiary". Takes effect 1/1/2051. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

